

# **SOCIALIST STUDIES**

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**THE DEPARTMENT OF SOCIAL (IN)-SECURITY**

**STAKEHOLDER CAPITALISM**

**OFFICIAL JOURNAL OF  
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OF GREAT BRITAIN**

Communications to: General Secretary,  
71 Ashbourne Court, Woodside Park Road, London N12 8SB

## **SOCIALISM NEEDS YOU! AND YOU NEED SOCIALISM!**

### **The Problem**

Without Socialists there can be no Socialist political organisation and no Socialism. The Socialist Party of Great Britain needs members in order to carry out Party work. We need writers, speakers and distributors of our journal, *Socialist Studies*, and other Party literature. We need committed Socialists who reject capitalism and accept the urgent need for a new society based upon production for direct social use, not for profit. And we need members who accept and will be prepared to defend the SPGB's Object and Declaration of Principles.

### **The Solution**

The solution is simple. If you agree with our analysis of capitalism, the Socialist objective and the political means required to establish common ownership and democratic control of the means of production and distribution by all of society, then you are already a Socialist. But individual Socialists cannot alone make a marked impact upon Capitalism. The struggle for Socialism has to be an organised one and this requires collective action by the working class.

This is why a Socialist political party is vitally important. It focuses attention on the class struggle and enables workers to act with unity and strength. If you are a Socialist then the first step is to join the Socialist Party of Great Britain. We are not a sect or a cult. There are no intellectuals in the Party, only intelligent men and women who share the same class interests, Socialist ideas and Socialist objective. However, we only want members who agree with the Socialist case and if you do agree with us then we want you as a member.

### **What Next?**

If you agree with the Socialist case then the next step is to apply for membership. We have no leaders. No one will tell you what to do and to think. All we expect is political commitment and enthusiasm to work with other Socialists to achieve the establishment of Socialism. Joining the Socialist Party of Great Britain will be the single most important political decision you will make. One more Socialist is one less worker voting for capitalist parties like Labour, the Conservatives and the Social Democrats. A Socialist party with a growing membership will make an increasing impact on the political class struggle. If you want a world without unemployment, exploitation, war, poverty, discomfort and inequality you should seriously consider joining us. **ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP to:** The Socialist Party of Great Britain, 71 Ashbourne Court, Woodside Park Road, London N12 8SB.

## WHAT ROLE FOR TRADE UNIONS?

Throughout the 1980's and 1990's the capitalist press wrote off trade unions as a force of any consequence in the class struggle. Economic depressions, changes in employment and technology, and other factors all conspired to reduce trade union membership (see **Employment Gazette** and **Labour Market Trends**). Some commentators even suggested the death of trade unions. They are no longer invited to No 10 for "*beer and sandwiches*", and they are still having difficulty recruiting members, after three severe depressions in so many decades.

When we come to consider the trade union movement, Socialists are permitted to ask the question of where is it moving? Is it moving to a greater understanding of capitalism? Is it recognising why the class struggle takes place and the reason for trade unions to form and take action on behalf of their members? Do trade unions see through the Labour Party and its anti-working class policies? Are trade unions placed in the context of the world's working class as a whole with identical interests particularly in the establishment of Socialism?

Sadly there appears to be no discernible movement by the trade unions to a greater understanding of capitalism. True, trade unions have been successful in improving pay and working conditions. They have survived over a very difficult twenty-five year period. Yet to say they are moving anywhere positive and useful for Socialists would be wrong. Bill Morris, the general secretary of the Transport and General Workers Union, believes the trade unions are moving but in the direction of collaboration with the Labour Party. As he told the **Independent**:

*We have a genuine partnership between unions and the Labour Party, where our understanding of the working lives of our members can inform and improve Labour Party policy, and make a real difference to the lives of working people (16 July 1999).*

Mr Morris believes trade unions have a political role. What he is saying in effect is that the trade union movement is moving with the Labour government rather than against its anti-working class policies and that trade unions have a stake in the partnership that has been forged between Labour ministers and trade union leaders. This is foolish talk.

To begin with there can be no genuine partnership between unions and the Labour Party. The Labour Party is a capitalist political organisation, which has to support the employers' drive for profit. In doing so they come into direct collision with workers seeking better pay and working conditions. This is why Gordon Brown and Stephen Byers continually lecture workers against demanding pay increases. The attack on the teacher unions and the 5 million workers in the health service and local government by Tony Blair shows whose interests the Labour Party defends when in government. You cannot have a partnership between workers and capitalists when both sides have opposing interests. Labour Party policy will always be framed within the terms of British capitalism and the problems of British capitalist class.

Trade unionists' hopes for reforms run against a similar problem. The national minimum wage was watered down, businesses who cannot pay the higher wages imposed by the legislation either sack workers or close down the company. As for the welfare reforms, the Labour government, like its Tory predecessor, has to keep down the level of taxation to allow capitalists to compete more effectively. On the world market governments like employers are not philanthropists. The government's proposed reforms such as attacks on the sick, the elderly, young school leavers, the long-term unemployed, the disabled and one parent families are all designed to keep state expenditure on

health and social security down to a minimum. Under no circumstances should trade unions collaborate with governments whose policies attack sections of the working class.

There is much an enlightened trade union movement could do. For a start, they could become totally independent from the Labour Party and other capitalist parties. They could become more democratic and end the capitalist practice of leadership within the organisation and leave policy-making implementation in the control of all the membership. This the trade unions currently do not do. So talk about trade union movement is wrong. Trade unions have become static, locked in an economic struggle with employers over wages and working conditions or collaborating with the class enemy, co-opted into "*partnership*" and enlisted as compliant allies by the Personnel Departments of multinationals and other companies when "*down-sizing*" is on the agenda and workers will have to be laid off, made redundant, in the interests of "*efficiency*".

In many respects the state of the trade unions reflects the current position of Socialist growth within the working class. If there were more Socialists then this positive factor would have a marked impact on the trade unions and their perception of the social system in which they find themselves. Becoming a Socialist is the most politically conscious move that a member of the working class can make. It does not preclude being an active member of a trade union but it entails recognition of the severe limitations imposed on the trade unions defensive struggle under capitalism.

What of socialist trade unionists? What can they do? There are many things. For a start, they can put the case for Socialism; propose Socialist resolutions to be discussed by the members at branch, regional or national level; they can criticise the largely Keynesian economics in which trade unions produce their policy for reforming capitalism; they can attack the sterile policies of the trade union leaders and the TUC; they can expose the futility and damage to the interests of the membership of trade union support for the Labour Party; and



they can combat the whole concept of "*leadership*" and insist on the democratic control of the union by the membership. In other words they can help build up support for Socialism in the unions. More importantly, Socialists who are trade unionists should try to convince their fellow workers that:

Instead of the conservative motto "*A fair day's pay for a fair day's work*" they ought to inscribe on their banners the revolutionary watchwords "*Abolition of the wages system*" (Karl Marx).

### Why 'Socialist Studies'?

When the Socialist Party of Great Britain was formed in 1904 the founders called the Party journal '**Socialist Standard**' because Hyndman and the Social Democratic Federation had lowered the standards of real Socialism.

In 1989, two years before Camden and North West London branches reconstituted the SPGB, we had started to publish **Socialist Studies**, which tried to raise the lamentable standard of Marxian economics, working class history and politics in the Party. Socialist knowledge is indispensable if we are to combat the propaganda of capitalism's political parties. Knowledge is power and knowledge can only be gained by studies which is to be applied in practice to the day-to-day political class struggle.

## IS THERE A CRASH COMING?

In an article "*Greed is back - and this time it's serious*", the journalist, Jeremy Warren (**Independent**, 5 February 2000) said:

*"Stock market investment, particularly in anything to do with the dot.com. revolution, is taking place with a degree of indiscriminate abandon which, as in the eighties, makes a bad ending almost inevitable."*

And he goes on to say:

*History teaches that prolonged periods of economic prosperity always end in an orgy of excess. The usual accoutrement of the end game - financial scandal, fraud, panic and catastrophic loss - are not yet upon us, and it is to be hoped that our market-based economies these days are protected by sufficient checks and balances to prevent an all-embracing bust. Nonetheless all the elements are there. So is there a crash coming?*

Capitalism is an inherently unstable system of society. Changes are continuously taking place, most of them unforeseen by workers and capitalists alike. Workers suddenly find that their supposedly safe jobs have disappeared. Capitalists' markets and profits fade out. Something like 100,000 companies have been wound up in the past ten years. Workers at the Rover plant in Longbridge face redundancy.

Every day something goes wrong for some group or other, and out of this uncertainty many observers during the past two hundred years have concluded that capitalism will, or may, fall into chaos from which it cannot recover.

Some of these observers have been capitalist spokesmen who feared what was apparently taking place. In 1829 William Huskisson, former President of the Board of Trade, wrote "*I consider the country to be in a most unsatisfactory state, that some great convulsion must soon take place*".

In 1884 Lord Randolph Churchill, describing the difficulties in which most industries found themselves because of the current depression, said: "*Turn your eyes where you will, survey any branch of British industry you like, you will find signs of mortal disease*".

And in 1876 a Board of Trade official, Sidney Bourne, issued a warning about the dire consequences that would follow if the nation failed to tackle a problem that all the economists and politicians were talking about in June of that year - the adverse balance of trade, the excess of imports over exports.

While those people feared the "*great convulsion*", there were other observers who welcomed the possibility of a "*collapse of capitalism*" because they supposed that it would force the workers to introduce Socialism.

So, in every depression, there were forecasts of that kind. Typical of them there is the statement by H M Hyndman, of the Social Democratic Federation in 1884: "*It is quite possible that during this very crisis .... An attempt will be made to substitute collectives for capitalist control*".

In 1919 Herman Cahn published his **The Collapse of Capitalism** in which he said that it could not be postponed any longer and was "*imminent*".

In 1922 W Paul, a prominent member of the Communist Party wrote: "*There is the greatest possibility that the social revolution may take place in the immediate future*".

And, in 1931, James Maxton, of the Independent Labour Party, said that it was only a matter of months but "*collapse is sure and certain*".

There have been several different theories about the way the supposed collapse would be brought about.



Herman Cahn's bogey was the 1914-1918 wartime inflation and consequent depreciation of the currencies of many countries in terms of gold. It was no more difficult to restore stable currencies after that war than it had been after the Napoleonic Wars and the American Civil War. Lots of banks did go broke and depositors and shareholders lost money but "*bad debts*" are a normal feature of capitalism.

In recent years some prophets of collapse have concentrated on the huge debts owed to American and European banks and others by Mexico, Argentina, Brazil and other borrowers who now want to default on repayment. It has all happened before, repeatedly in the 19th century and between the wars. In the 19th century, when British capitalists were the big world lenders, a large proportion of the loans were never repaid.

Then there is the "*adverse balance of trade*". It is possible for a country to have its imports and exports tidily balanced so that all imports are paid for by an equal value of exports, but actually there are always some countries with an adverse balance, ie imports greater than exports, and other countries with exports greater than imports. (For the world as a whole, of course, total imports and exports are identical, one country's exports being another country's imports.)

The country with a favourable balance is the one whose products are cheapest and which therefore predominate in world markets. For some time it has been Japan and the US. Earlier it has been Britain (in the 19th century), France, then Germany. In due course, it will be some other country or countries underselling Japan and the US. It is a situation which largely repeats itself. If US exporters capture markets the importers have to pay in US dollars, which they acquire by selling their pounds, yen, etc. This has the effect of putting up the exchange rate of the dollar and depressing the exchange rates of pounds, yen, etc. Which, in turn, takes away the relative cheapness of US goods and makes the Japanese, British, etc goods more competitive. Fifty years ago

Professor Edwin Cannan, when asked what governments should do about the "problem" told them to stop keeping and publishing import/export figures and just forget all about it.

Like Herman Cahn, many later politicians and economists have seen in inflation the great threat to the continuance of capitalism - Mrs Thatcher among them. She said that it was inflation that caused unemployment and trade depressions, and she proposed to end it and get a stable price level. The Tory Election programme of 1987 had this:

*"Our success in the battle against inflation has been the key to Britain's economic revival. We will not be content until we have stable prices, with inflation eradicated altogether".*

The Labour Party, on the other hand, had always been favourably disposed to inflation. The 1974-79 Labour government more than doubled the cost of living in five years, and during the depression between the wars their leading economist, Patrick Lawrence, proclaimed the very opposite of the Thatcher theory. He wrote:

*"I regard it as indisputable that unemployment, as it has existed in the world in recent years is due to falling prices".*

The Labour Party at that time advocated as a remedy getting prices up again. Now the Labour government under Tony Blair shares the Tories view on inflation. It makes little difference.

If the Tories and the Labour Party looked at the history of capitalism they would find that periods of unemployment and depression exist whether prices are falling or rising or stationary.

Probably the most widely accepted "collapse" theory relates to unemployment, it being the belief of those who hold the theory that unemployment is bound to get larger and larger. Karl Marx's colleague, Frederick Engels, put it forward in 1886 - three years after Marx's death. He wrote:

*"Meanwhile, each succeeding winter brings up afresh the great question 'what to do with the unemployed'; but while the numbers of unemployed keep swelling from year to year, there is nobody to answer that question; and we can almost calculate the moment when the unemployed, losing patience, will take their own fate into their own hands".*

The same theory was advanced again in the depressions which began in 1979, 1981-1983 and 1990-1993 and it has met the same fate. Within a short time Engels saw unemployment falling and he abandoned the theory. The unemployment rate in the 1930's - which reached 23% in Britain and 25% in USA - was actually double the unemployment rates of recent years and unemployment rates are now falling.

When Engels put forward that theory, he recognised that it was not the view held by Marx. It was Marx who put the whole question in perspective, showing that it is a continuous cycle, the recovery from the depression being as inevitable as the depression itself.

*"Capitalistic production ... moves through certain periodic cycles. It moves through a state of quiescence, growing animation, prosperity, inevitable crisis and stagnation."*

Britain is now in the phase of growing animation: production, real wages, profits and employment all growing in the past few years.

Events since Marx wrote have fully confirmed the accuracy of his description, and all of the attempts of governments to promote permanent boom and full

employment have failed. We, as Socialists, have something further to say about it. It needs more than capitalism's crises to produce Socialism.

As it was phrased in the Party pamphlet "*Why capitalism will not collapse*", published in 1932:

*"So long as the workers are prepared to resign themselves to the evils of capitalism, and so long as they are prepared to place in control of Parliament parties that will use their power for the purpose of maintaining capitalism, there is no escape from the effects of capitalism".*

### No Independent Thinking

Because contemporary journalists, and in particular writers for daily editorials, cannot argue a coherent case for capitalism they degenerate into trite assertions.

Typically, this is the hallmark of the **Independent** newspaper, which indulges in a drip-drip propaganda campaign against Marxism. A day does not go by without a snide comment against Socialists, the ideas of Marx or the body of ideas known as 'Marxism'.

Recently the **Independent** wrote Marxism off as producing a "*simplistic*" model of society, which had "*failed*" to explain anything worthwhile about the way we live in a class divided society (3 March 2000).

Readers are not told what this *simplistic* model happened to be nor why it had failed. There was silence on what was meant by *Marxism*. Most likely the leader writer did not know herself. But ignorance did not stop the assertion from being written or the political motive behind it from being expressed. Assertions are not arguments. They are rhetorical devices. They provide full stops for those unable to reason and think for themselves. A suitable attribute, it seems, for a candidate seeking employment at the **Independent**.

## A FEW THOUGHTS ABOUT SOCIALIST SOCIETY

When Socialists point out that Socialism entails voluntary labour and free access to what people need to live fulfilled and creative lives as human beings we are derided by our opponents for being "*utopian*". Apparently we neglect what is seen as the inherent greed, violence and laziness of people. It is supposed to be the knockdown reply against us.

Unfortunately for our opponents, the punch is well wide of the mark. The punch misses the target because anti-Socialists completely misunderstand what the basis of a Socialist society will be. Socialism will be established by a majority of workers who have consciously, freely and actively rejected production for profit and instead accepted the urgent necessity for production for use.

A little should be said about this Socialist majority. The millions of men and women who would constitute this majority would have already run capitalism from top to bottom, albeit in the interests of another class. They will be socially mature and confident in their ability to assess and plan for what is required in organising production and distribution in order to meet human need. Workers would be freed from the tyranny of the wages system and the labour market with its employers and employees, exploitation and class relations. It is also reasonable to assume that a Socialist majority will want to make Socialism work. More so because it will be in their interests to make Socialism a success. To help them Socialists would have at their disposal: raw resources, the means and techniques of production, and socially co-operative labour.

With this in mind we can place our opponents' petty and inconsequential criticism into some context. In the satisfaction of their need to pursue life to the full who, in their right mind, would be selfish enough to hoard toothpaste in their bathroom? Who would want hundreds of computers in their bedroom?



Who would want to stay in bed all day and drink themselves into oblivion? Why would a Socialist majority who had just established a social system whose only purpose is to meet human needs want to go on and commit social suicide by being lazy, greedy and violent?

After all, these are all the traits of capitalism yet the working class still produces, transports and distributes commodities. In their spare time outside employment, millions of workers still work as anyone who has an allotment or garden can testify. The capitalist class might not work, but things still get designed and made. Greed and the act of being greedy is the indulgence of a minority, which takes place in a society of deliberate scarcity where millions of people have no chance of being greedy because they are destitute. And competing nation-states create the social conditions for violence and war. The problem with the Socialist critic who poses the pseudo-question about innate laziness, greed and violence is that they cannot conceive of any other society except capitalism. Their intellect is dulled, their imagination is blinkered and the ability to think for themselves is quite foreign.

Capitalism creates the conditions for negative social behaviour because they are the very characteristics which enable exploitation and the lust for surplus-value to prevail. Capitalism is often nasty, brutal and competitive. These are the values capitalism creates and sustains. The profit system also makes workers susceptible to the lies of politicians and economists that there is no alternative to commodity production and exchange for profit.

Change the social conditions and human behaviour will change too. As the television character, Inspector Morse, commented on passing the amphitheatre in Verona *"Once they threw people in there to the wild animals. Now they listen to opera"*.

Unlike the pessimists, Socialists believe everyone has the capacity to reason and has the ability to think intelligently. Socialist knowledge would be

impossible otherwise. And it is this knowledge which will be harnessed during the difficult period just after the establishment of Socialism in order that democratic decision-making can be effective in solving social problems and adapting production to meet peoples' needs.

What of work in Socialism? Who will do it? What about the unpleasant work? Again, these questions can be easily disposed of. In capitalism millions of workers do two types of social activity. Employed work for a wage or salary, and work outside employment. One piece of work they do which is very unpleasant and that is changing a baby's nappy, sometimes at three o'clock in the morning. It has to be done. There is no other option. Will nappies be changed in a Socialist society? Of course they will. Those who have had to change a nappy know what a disgusting and unrewarding job it is. Most work in a Socialist society will not be this unpleasant. However, unpleasant jobs will be done because they will have to be done.

What workers do find unpleasant is employed work. They cannot currently conceive of a social system without employment. Yet this is precisely what Socialists set out to establish. Work should be creative, varied, healthy, safe and interesting. Workers should be involved in formulating the decisions which affect the work they do. In Socialism people will react to work differently from how they do today under capitalism.

When we consider human history it is clear that manners, laws, customs, religion and morality have all changed from one system to the next, and even from one generation to the next. The burning of witches, for example, belonged to a feudal world whose belief system few can imagine. Some of the witches who were tried were midwives. Today midwives sell their labour power to the private or state health sector as wage slaves. In a Socialist society their work will be free and voluntary. As our social conditions change, so our behaviour changes too.

Capitalism creates the social conditions for war, violence and greed. We do not have fixed characteristics. We have the ability to change the way in which we live and have done so for thousands of years. The framework provided by common ownership and democratic control of the means of production and distribution by all of society will change the way in which we live and create a co-operative and common purpose.

Human behaviour is not a barrier to Socialism. The real barrier is the blinkered mindset, which can see nothing beyond the pay packet. Socialists have the imagination to visualise an alternative social system, which does not involve class ownership, class exploitation, buying and selling, and the wages system. A Socialist majority will be able to achieve this new society, and will succeed in their endeavour because it is in their interests and because they have all the necessary ability and enthusiasm to make it work. And the use of the argument of innate greed, laziness and violence to justify capitalism will seem as daft to those living in a Socialist society as the doctrine of the Divine Right of Kings to justify feudalism seems to us today.

*The Capitalist shares with the miser the passion for wealth as wealth. But that which in the miser is a mere idiosyncrasy, is in the capitalist, the effect of the social mechanism of which he is but one of the wheels.*

*... To accumulate is to conquer the world of social wealth, to increase the mass of human beings exploited by him, and thus to extend both the direct and the indirect sway of the capitalist.*

Karl Marx, **Capital**, Vol I, p. 649

## LABOUR FAILS THE WORKING CLASS

The bubble has burst. Three years on from the landslide victory the Labour government has little to show for itself. The Third Way has faltered; a phrase with no substance and no application to the real world. Unemployment, poor education and an inadequate health service are still with us. Sleaze is never far away from Labour ministers. The latest Register of Member's interests shows Labour MPs growing fat at the table of the capitalist class. On the tail coat of the USA, Britain engages in war with Iraq and Serbia. And like all governments, Labour panders to the rich and powerful and attacks the vulnerable; one-parent families, refugees, the disabled and unemployed, and the sick.

Look at the world in which we live. We say a world, and not Great Britain, because this country is part of a global system of anarchy and conflict. The economic crises in the Far East, in Russia, and in Brazil reverberate around the world. In Britain it has meant the closure of hi-tech industries, one in Mr Blair's own constituency. The Labour government is a hostage to economic fortune. Not even the bookies will give odds that this Labour government will leave office with unemployment lower than when they first came into power. Who can blame the bookies? All previous Labour governments have left office with more workers out of a job than when they were first elected. Why will Blair's Labour government fare any better?

The failure of Labour to deliver a society of equality, comfort and freedom is not hard to explain. Labour, like all other capitalist political parties, does not understand the social system it professes to administer. We live in a capitalist system which has certain features which work against the interests of workers. First, the means of wealth production and distribution is owned by a minority capitalist class whose lives bear no relation to the way in which the majority live. Second, workers' lives are determined by the size of their wages and salaries. Third, workers run society from top to bottom, whether in the productive or service sectors of the economy but have no control of how they



work or over what is produced. And, fourth, workers are exploited by producing more wealth than we get paid for. The surplus is divided by employers into the unearned income of rent, interest and profit.

Capitalism is a commodity producing system, dominated by market forces and the drive for profit. The social problems we face as a class flow from the very way capitalism works: its exploitation, conflict, competition and instability. No government can address these problems because to do so would be to question capitalism itself. And governments, including the present Labour one, exist to serve the interests of the capitalist class whether it is in making war on enemies abroad or in attacking the working class at home.

That Labour seeks to serve the interests of the capitalist class is not hard to prove. In a recent speech to City financiers at the Mansion House, Stephen Byers, the Secretary of State for Trade and Industry, stated that creating wealth was more important than distributing it. He received praise from the audience for saying that wealth creation was made by "*successful and prosperous businesses*". Byers gives the impression that employers create wealth and generate employment for which workers should be grateful. It is an insult. What Mr Byers did not say was who exactly made the social wealth in the first place.

If the entire capitalist class was to be sent by rocket into space would it be missed? No, it wouldn't. Social wealth would still be produced. Workers would still carry on producing and distributing goods and services. Workers are creative, socially co-operative and hard-working despite the spiteful comments made against them by economists, politicians, journalists and those who employ them.

What of Labour and Socialism? Labour has never been and nor is it a Socialist Party. Nationalisation, an interventionist policy first proposed by the Tories in the 19th century, was just another way of running capitalism. Nationalisation



never solved the problems of workers and now fails to gain their support. It has left the Labour Party intellectually bankrupt. At one time the Labour Party was proud to be known as the party which stood for working class interests. Now it stands for a fictional middle class, panders to the prejudices of "*focus groups*" and genuflects to Mr Murdoch's reactionary press. Mr Blair praises Mrs Thatcher and joins with her in dogmatically denying any alternative to the market, to buying and selling, to commodity production and exchange. When the capitalists say "*jump*", Labour ministers ask "*how high?*" Politics has been reduced to sound bites. Labour ministers surround themselves with speech writers, tame journalists, style and image consultants, comedians to write their jokes, and electioneers on how to speak. Behind the image there is nothing of substance.

The aim of the capitalist class is to maximise profits, which is resisted by workers pushing for higher wages and better working conditions. These two conflicting forces cannot be reconciled. They are part of the class struggle, a struggle which is denied by Blair but manifests itself blindly in the frustration of non-socialist workers at each general election. The failure of John Major's "*classless society*" was expressed by persistent unemployment with six million workers losing their jobs in the early 1990's. The governments of Attlee, Wilson and Callaghan also failed the working class and were booted out of office. Thatcher was pushed before the voters had the opportunity to consign her Victorian policies to the dustbin of history. Who reads today of a "*property-owning democracy*" or a "*popular capitalism*"?

The inability of Labour to reconcile the conflicting interests of capital and labour will also bring about its downfall. Labour claims it is for social justice but will never be able to achieve a fair and equitable society while simultaneously defending the class inequalities of private property ownership of the means of production. The circle cannot be squared. Blair wants a meritocracy but ministers are appointed by patronage, quangoes filled with cronies and the children of the rich start life at the finishing post while the children of the working class are still getting ready to begin the race.

Tony Blair once said that he wanted to make Labour the "*natural party of business*" and that by the next General Election people would view Labour "*just as much the party of business as the Conservatives, if not more so*". If only people would see Labour as just another capitalist party pursuing the interests of capitalists rather than workers, perhaps then they would stop giving them their support.

The Socialist Party of Great Britain does not claim it can run capitalism in the interests of everyone. Capitalism can only be run in the interests of employers. Workers, forced into employment, will always get second best, whether it be food, shelter, education or health provision. Do the capitalist class have to queue for operations? Do the parents of children at Eton and Harrow have to worry about lack of school books or whether their offspring will find employment when they leave school? No! This is capitalism: the social system Labour defends and one Socialists seek to abolish.

In place of capitalism, Socialists seek to see a social system based upon common ownership and democratic control of production and distribution by all of society. Production would be solely for social use. Such a society would not depend on leaders. Socialism can only be established when a majority of men and women realise that capitalism offers them nothing but exploitation, inequality and discomfort. As Socialists, workers can then take the necessary action to create a new world in which co-operation will replace competition and common interest will replace the class struggle.

Labour's future is tied up with capitalism, but your future should be with us.

## THE LIMITATION OF TRADE UNION ACTION

### 1 Marx and Wages

Marx's views on wages changed over time. In his early writings he thought wages would be pushed down to a physical subsistence level. This is apparent from **The Poverty of Philosophy** (1847), **On Wages** (1847) and **Wage Labour and Capital** (1849). However, Marx's only explicit statement of wages falling to a *pauperised minimum* (a doctrine he later abandoned), appears in the **Communist Manifesto** where he wrote

*The modern labourer .. sinks deeper and deeper below the conditions of existence of his own class. He becomes a pauper ...*

Later, in the **Gotha Programme** (1875), Marx, on the basis of his Labour Theory of Value and the insights provided to him by the theory of surplus value, was able to repudiate the "iron law of wages" held by Lasalle. "Wage-labour", Marx wrote, "is a system of slavery, and indeed of a slavery which becomes more severe in proportion as the social productive forces of labour develop, whether the workers receive better or worse payment" **Selected Works**, p325.

In the **Grundrisse** (1875/8), **Wages Price and Profit** (1865) and **Capital** (1867) Marx argues that the value of labour power is historically determined and with increasing productivity, the subsistence level could also rise over time.

A reading of Marx's texts reveals very little detailed discussion on trade unions. At the time when Marx was writing, when trade depression occurred, many trade unions would simply disappear. Marx thought that in a depression "the working man, if not thrown out of employment altogether is sure to have his wages lowered".

When Marx came to write **Capital** his main objective was not to write a detailed account of trade unions but *to lay bare the economic law of motion of modern society* (**Capital Vol I**, Moscow Edition, p.21).

The first volume of **Capital**, for example, has only four references to the trade unions in the index. The first reference is to the establishment of trade unions among Scottish agricultural workers and their subsequent successful bid to raise wages. The second discusses on the attempt by unions to reduce the working day. The third is Marx's caustic remarks against those economists who did not want workers to combine into unions. And the fourth notes the way the state was forced to cede the right for workers to combine and strike.

Marx's most famous address to trade unions was the two lectures he gave to the General Council of the International Working Men's Association in the summer of 1865 which were then collected together in the pamphlet **Wages Price and Profit**. They were given in response to John Weston, an English worker, who maintained the argument that higher wages cannot improve the condition of the workers and that trade union action would have a harmful effect on the living standards of the working class.

## **2 Value, Price and Profit**

The value of any commodity, Marx explained, was determined by the amount of socially necessary labour contained within it, that is: by the time taken on average to produce it. Marx made the discovery that workers did not sell their labour but their labour power, the capacity of the labourer to work. Labour power, like any other commodity, was determined by the quantity of labour needed to produce it. In other words, the value of labour power was the value of the commodities needed to sustain and reproduce the workers.

The origin of surplus value, Marx explained, lay in the fact that the value of labour power was vastly different from the value which the worker added in the course of the working day. The average amount of commodities necessary to sustain the worker might equate to six hours work but since he works an eight hour day the worker works a free two hours for his employer. The difference formed the basis of the unpaid labour or surplus value extracted from the working class in the course of the working day even under "*fair conditions*" of exchange when the union is bargaining on behalf of its members.

On this analysis, Marx argued, Weston was wrong. An increase in wages would not bring about a general rise in commodity prices. What does happen is that the employers get less profit. Consequently, between the maximum level of profits and the minimum level of profits, "*an immense scale of variations is possible*".

Marx went on to note that workers had indeed obtained a real rise of wages from 1849 to 1859 based upon information from "*official economical mouthpieces*". However, he warns:

*.. the very development of modern industry must progressively turn the scale in favour of the capitalist against the working man, and consequently the general tendency of capitalist production is not to raise but to sink the average standards of wages, or push the value of labour more or less to its minimum limit.*

And concludes:

*...the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that*



*they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economical reconstruction of society. Instead of the conservative motto, "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the revolutionary watchword, "Abolition of the wages system!" "*

### **3 Wages, Trade Unions and the Class Struggle since Marx**

Marx's conclusion to **Value Price and Profit** needs to be unpicked. He believed the downward pressure on real wages would be the development of the means of production with the introduction of machinery to replace workers. This development has continued to occur throughout the 20th century but displaced workers have not driven down real wages and instead of the industrial reserve army continually increasing over time its size has fluctuated throughout the trade cycle, rising in depressions and falling in booms.

Marx, as we have seen, recognised that real wages had gone up at the time he was delivering his lecture to the General Council. Detailed information about the movement of wages generally was not available in 1865. Professor Bowles and G H Wood in their **Index of Wages and Prices**, which showed approximately the rise of real wages between 1850 and 1936, provided it later.

They showed that real wages had already begun to rise in 1865 and between 1856 and 1865 had risen by 26%. In only two years out of the ten, did real wages fall slightly. Between 1850 and 1900 average real wages doubled.

The pattern of the movement of average real wages as seen by Marx in 1865 was that in times of good trade there is a temporary rise, which is more than lost in the subsequent continuous downward movement.

With the growing membership of trade unions the pattern that developed, and has continued, is that wages rise more than prices in the great majority of years and the bulk of the movement is retained. So, contrary to Marx's expectations, trade union action has been effective in retarding the downward pressure on real wages.

The reality of the situation, at least in Britain, is that between 1850 and 1900 wages rose more than prices in 34 of the 50 years. In recent years, 1967 to 1999, that have been only seven years in which wages rose less than prices.

However Marx's point about the unions dealing with *effects* and *their unavoidable guerrilla fights* is brought home when we reflect on the changes in the composition of British capitalism and the decline in large-scale manufacturing, over which the unions had no control. In Britain rising real wages did not stop the loss of tens of thousands of workers from shipbuilding, steel, mining and car manufacture, and the subsequent social alienation faced by these communities. What did real rises in their wages mean in the long run for a miner, a steel workers or a shipbuilder when the mine, steelworks or shipyard closed? Unemployment is a fact of life. 70,000 jobs have been lost through merging and restructuring of companies since 1999 (*Independent*, 26 February 2000). Many of the new jobs have been in low-paid service areas of the economy. Trade Unions are powerless against unemployment.

Unions are increasingly powerless against businesses wanting to relocate or invest elsewhere, as Ford workers at Dagenham are discovering. Large multinationals are relocating to areas of cheap labour (German capitalism has moved a lot of production to Asia), and they know of how much, including benefits, production workers cost, for example, \$25 an hour in Germany and

\$16 in the US, compared with \$5 in South Korea, \$2.40 in Mexico, \$1.40 in Poland and 50 cents or less in China, India and Indonesia. Worldwide, the capitalist class has a potentially huge pool of the unemployed to tap into, some 30 million people wholly unemployed and another 15 million in insecure, temporary and part-time jobs, according to the latest figures from the OECD.

Whether these large differences in wage levels and the existence of large pools of unemployed workers will have a downward effect on real wages in Europe and the US is yet to be seen. In the US trade unions are less effective than they are in Europe and this is reflected in the wage differences between productive labour in Germany and the US, despite there having been a depression in Germany with over 4 million workers unemployed.

The belief that cheap labour markets will continually exist in Asia and elsewhere presupposes that workers in developing capitalist countries will not organise into effective trade unions. In **Capital**, Marx said that "*one nation can and should learn from others*", and this equally applies to trade unions. There is no reason why trade unions in China or South Korea should not follow the same route of organisational effectiveness as trade unions did in Britain in the 1890's.

However this brings us back to the question of "*the real causes*" acting on the workers in the class struggle and the inability of trade unions to deal with these causes. The forces of production including labour are contained within and constrained by the class relations of production. The means of production like robotics and machinery are owned and controlled by the employers. They are used for profit making and not in order to meet human needs. Workers are dependent upon employers to gain access to "*the world of commodities*". Workers are a propertyless class forced onto the labour market for a wage or a salary. This gives employers the upper hand.

The primary problem for workers is the class ownership and control over the means of production by the employers. The only force that can transform society and resolve the problems workers face is a growth in the number of Socialists, a principled Socialist party with a Socialist objective and sustained Socialist political action. This means pushing the class struggle to its final limit with the establishment of Socialism. The means of production and distribution have to come under common ownership and democratic control in order that production can be used rationally and usefully to meet people's needs. In other words, as Marx rightly stressed, to deal with the cause of the workers problems under capitalism first requires *the abolition of the wages system*.

### **The Socialist Party of Great Britain**

*The Socialist Party has a record of being consistently correct on a number of important issues ... we warned about the dangers of advocating reforms long before the shameful collapse of European Social Democracy in the first world war. We said in 1918 that the Bolsheviks could not set up Socialism in Russia, and it was we who in this country pioneered the view that Russia was developing state capitalism. We predicted the inevitable failure of Labour Governments both as a way of Socialism and as a means of improving workers' living standards. From the start we realised that nationalisation was no solution to workers' problems. We have always exposed the false and divisive nature of nationalism, racism and religion. In two world wars we declared and kept an attitude of Socialist opposition.*

**From Questions of the Day, p.105**



## SO YOU THOUGHT YOU WEREN'T WORKING CLASS!

There is a lot of woolly nonsense written by hack sociologists on the question of class. The latest twaddle makes reference to "*The New Middle Class*" of professional graduates, often self-employed. In a desperate but futile attempt to show that the working class is either disappearing or declining in numbers, academics try to show that architects, middle-managers, computer analysts, etc are part of a new class with a new identity located around conspicuous consumption and contentment.

The reality is altogether different. The pompous pretensions of workers who erroneously believe they are set apart from refuse collectors and postwomen comes to the fore when they are made unemployed. And according to a study published by researchers at Cambridge University, academics found that, despite the economic recovery and low unemployment, so-called professional workers are growing more fearful of redundancy.

Job insecurity among well qualified workers has risen 28% since 1986 with manual workers showing a slight decrease in job security. So much for Labour's belief that a better educated workforce will be more secure in employment.

Dr Ladipo, one of the researchers, said that the reduction in the number of senior management posts across industry - a process known as delayering - had not only increased unemployment but ended the career ladder of opportunity which had mistakenly led many of these workers to believe they had a stake in the company who employed them. He went on to say:

*People are watching the rungs of the ladder above them being taken away. This is a source of considerable anxiety to many workers (The Times, 17 August 1999).*



At least Dr Ladipo recognises these people for what they are: members of the working class. The study also shows a significant correlation between job insecurity and poor general health. Two-thirds of people surveyed said that they frequently worked longer than their basic working hours and 39% said that working hours had increased over the past five years. Employers had found ways around the maximum 48-hour week just as they had found ways around the minimum wage. Workers worried about unemployment will be the last to complain when told to work long hours.

What makes you a member of the working class is not how you speak, what you do or the qualifications you hold. Class is a social relationship. Workers are cut off from direct access to the means of production, and are forced to sell their mental and physical ability to work for a wage or a salary. Employers aren't. They own and control the means of production. They exploit wage labour in the productive process. And they live off the unearned income of rent, interest and profit. Consequently workers face employers in a class struggle, daily, monthly and yearly.

One of the great problems facing workers is their own divisions. Workers have to come to understand that they have a distinct class interest in abolishing capitalism and replacing it with Socialism, no matter what job they do or what sort of salary they earn. Until they realise that capitalism cannot be run in their interests and the urgent necessity to take political action as Socialists, they will continue to periodically suffer from unemployment, social alienation and unfulfilled lives.

## THE DEPARTMENT OF SOCIAL (IN-)SECURITY

Anyone visiting a local Department of Social Security office experiences humiliation. The system is designed to be demoralising, degrading, shaming. The so-called 'benefits' are so stingily and grudgingly doled out that the term 'welfare' is miles from the mark.

This enormous government bureaucracy with its rigid application of incomprehensible rules is as incapable of providing **real** welfare, security and benefits as its various predecessors were. It should be seen not as a unique contemporary institution, but as one in a long line of efforts by the capitalist class to contain the persistent problem of working class destitution.

The principle underlying government welfare benefits is that these must not, ever, be pitched so high as to enable recipients to seem as well off as the worst-paid worker. This basic principle has been applied ever since the 1834 report on the Poor Laws:

*The first and most essential of all conditions .... is that (the paupers') situation on the whole shall not be made really or apparently so eligible as the situation of the independent labourer of the lowest class. (Quoted from Peter Townsend, **Poverty in the United Kingdom**, 1979, p923.)*

In addition, the 'paupers' ('claimants' in today's jargon) must prove they are "eligible for benefit". This brings in the much-loathed Means Test, also the idea that benefits are conditional. An extreme example of this idea in action is the DSS's employment of snoopers to discover if a woman, receiving benefit as a single parent, is cohabiting. If a man (her brother, maybe) is seen leaving her home in the early morning, she is forced to surrender her allowance book. And an appeal takes months.

With means-testing, we come to another difficulty: the variety of different circumstances which may affect the level of support available. Novice claimants are utterly at a loss: how are they to know that, maybe, they could get a bit of extra to help with heating costs?

This allows the DSS to impose arbitrary rules, expressing political preferences: helping, say, the blind and disabled as against the 'less deserving' poor. Classic examples of the 'less deserving' being, of course, that young woman - 'with all those children!' - and unemployed teenagers.

The 'social control' functions of the system express a political view. Townsend, writing in 1979, described this:

*Society upholds the virtues of self-help, family support, work and thrift ... Specific conditions are attached to the receipt of benefit which are more stringently applied to some groups than to others. Just as there are differences of view about which groups most need help, so there are about those who most need discipline, correction and discouragement.*

Townsend, *op.cit.*, p892

Incidentally, Townsend's description of this punitive aspect of Social Security was published before the Thatcher government got to work, after a long period of Labour government. Voting the Tories out and Labour in has made no difference.

Ironically, the state gives generous benefits to Royalty - hardly the best examples of "*work and thrift*", and that support is not means-tested.

During several centuries, since capitalism first got started in this country, the problem of dealing with working-class destitution has persisted. English Poor Laws began in 1601, and the later (18th century) Settlement Acts re-affirmed that each pauper was a charge on his home parish and could be sent back there.

The Poor Law principle of parish relief persisted and is evident in the provision of municipal and council housing. To qualify for a council housing list, you have to pass a local residence qualification.

*With the 1834 Poor Law came the minimal cost principle, the workhouse and the added cruelty of separating husbands and wives. Where 'out-relief' was given to the able-bodied unemployed, a modern defender of this system comments that this was "in effect used as a dole to keep ... the unemployed alive and available until the return of full-time work" and that employers preferred it as cheaper than the workhouse.*

Geoffrey Best, **Mid-Victorian Britain 1851-75**, p163

When we encounter the DSS and its baffling bureaucratic maze of rules and conditions, it is worth knowing how this relates to the wages system. Capitalism has always had periods when trade is slack and 'redundant' workers are laid off. But they will be needed again when business recovers. Some method of helping them stay alive had to be invented, but the cost paid by the capitalist class had to be kept as low as possible.

As part of the deal, the capitalist class laid down the condition that those who receive 'relief' or 'welfare benefits' must never get so much as to seem as well off as the worst-paid of those in work. Today's pensioners, disabled, single parents and unemployed struggle to cope on the state's 'benefit' system, based on that old principle of minimal cost to the capitalist class. 'Welfare' - like 'social security' - is not the aim of the DSS. Its real functions are poor relief and deterrence.

The motives of those who argued for state schemes of social security were less than philanthropic. Beveridge based his argument for a social security system on the interests of employers: it would improve efficiency. Courtauld, the textile millionaire, claimed this "*will ultimately lead to higher efficiency among (the workers) and a lowering of production costs*" (1943, quoted in **Beveridge Re-Organises Poverty**, SPGB).



Beveridge, a Liberal, also wanted "every person who can go on working after reaching pensionable age to go on working and postpone retirement". The old should not become a burden: "it is dangerous to be in any way lavish to old age" (**Beveridge Re-Organises Poverty**, p17).

Governments have all carefully followed his advice; none have been "lavish to old age" when the elderly are of the working class - the House of Lords is another matter!

Among the motives for introducing a state social security scheme were:

- a) the risk that the unemployed might emigrate, or starve to death, so be unavailable when the recession ended;
- b) the fear that they might revolt or riot - "*if you do not give the people social reform, they are going to give you social revolution*" (Quentin Hogg, MP, 1943 - quoted in **Beveridge Re-Organises Poverty**, SPGB);
- c) the view that employers should support the introduction of family allowances as a way of reducing their total wage bill - "*it is a luxury to provide people with incomes for non-existent children*" (Beveridge, quoted in **Family Allowances: A Socialist Analysis**, SPGB pamphlet).

These ideas had nothing to do with trying to benefit the working class, everything to do with protecting the interests of the employers and the class system, the real cause of poverty and destitution.

### WAR and CAPITALISM

The first reprint of our pamphlet has been updated to include references to recent conflicts.

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## STAKEHOLDER CAPITALISM

In the 19th century and until comparatively recently workers who were able to save deposited their spare cash in the Post Office Savings Bank and other savings banks and received a small but steady rate of interest on it. During the 1980's the Tory government changed all that. At a cost of some hundreds of millions of pounds, including that of a massive advertising campaign, several million workers were persuaded to become shareholders in British Gas and other formerly nationalised industries now privatised. The bait for the worker-shareholders is that the current stock exchange price of the shares was appreciably higher than what they paid for them. There was of course no guarantee that the high prices would last since shares can rise and fall, sometimes spectacularly.

For the Tory party the expectation was that many of these worker-shareholders, disparagingly known as "Sids", would feel that they had an interest in voting for the Tories at the next election. Unfortunately the depression at the end of the 1980's took the shine off the conservatives' "*Popular Capitalism*" when workers realised that holding shares did not protect them from unemployment.

The Socialist case, in the words of our **Declaration of Principles** "*is that society as at present constituted is based on the ownership of the means of living (land, factories, railways, etc) by the capitalist or master class and the consequent enslavement of the working class, by whose labour alone wealth is produced. And, that, therefore, there is an antagonism of interests manifesting itself as a struggle, between those who possess but do not produce and those who produce and do not possess.*

In the last resort the owning class depend for the protection of their privileged position on political power, their control of the machinery of government, including the armed forces. But from the time when the working class obtained the franchise and could determine the result of elections, the owning

class and their tame philosophers and economists have devised all sorts of plausible theories to create confusion in the minds of the workers to prevent them from seeing capitalism as it really is. The aim of all the theories has been to deny the existence of the class struggle between possessors and non-possessors, and to maintain that workers and capitalists are all members of society having the same interests, any differences there are being merely those of degree.

One of the theories dealt with savings. Adam Smith and Senior represented the way in which the capitalists accumulate capital as forms of abstinence and self-denial. As if there is any similarity between the savings of workers often little above subsistence, and the wealth and position of people with unearned incomes running into hundreds and thousands of pounds a year. Sir William Ashley, an economic historian who knew about the way in which capitalism developed in Britain and who was an adviser to the Tory Party, wrote about the "abstinence and self-denial" theory in his **The Economic Organisation of England**:

*Phrases like these have occasioned no little mirth: it is hard to discover self-denial or parsimony, as the world understands these words, in the processes by which modern capitalism is most largely accumulated p.157.*

But Ashley's recognition of the facts has done nothing to prevent modern apologists for capitalism from still using the arguments of Adam Smith and Senior.

Marx showed that the working class are exploited. The apologists for capitalism also use the term exploitation, but with a different meaning. For them only those workers are exploited whose wages are abnormally low. It is Marx's unique contribution to economic theory to show that exploitation takes place when the wages are what the trade unions would describe as "fair", that

is wages negotiated with a trade union. The difference between Marx and the rest of the economists relates to what wages represent. The apologists for capitalism say (and a great majority of workers accept) that wages are payment for the worker's labour, so that a wage of £200 for a week is payment for, say a 40-hour five-day week. What the worker sells to the capitalist is not labour but his mental and physical energies, called by Marx, the worker's "*labour power*".

The capitalist pays to the workers a wage, which is the market price of labour power, and the capitalist then has the usage of this labour power. However, it is the capacity of labour power that it can create a value greater than a worker's wage. The worker in, say three or four days, adds a value equal to the whole wage for the week and the rest of the week is unpaid labour for the benefit of the capitalist. Marx called this additional amount "*surplus labour*", out of which come the industrialist's profits, the interest paid on any borrowed money and the rent of land where the factory owner does not also own the land. In this conception wages are prices, the price of labour power, is like the prices of any other commodities bought by the capitalist. Only with Marx's theory is it possible to give a credible explanation of the sources from which profit, interest and land rent are derived.

If we accept the view that wages are fair payment for the workers' week's work, where do profits, interest and rent come from? So the apologists for capitalism have to invent other explanations. One is that the capitalist is paid for organising activities, in the capacity as manager of the enterprise. This had certain plausibility, when the capitalists actually worked as managers of small firms. Marx pointed out that those capitalists were not owners of capital because they were managers, but were managers because of their ownership of capital. But it makes no sense in the modern world of big business where there may be tens of thousands of shareholders, none of whom ever sets foot inside the concern, where all the managerial decisions and organising functions are carried out.

It is not even true that the shareholders as a body appoint the board of directors and therefore have ultimate control over the company policy. In a typical big company like ICI, elections to the Board of Directors are not decided by the number of shareholders but by the size of their shareholdings. A company might have 20,000 shareholders but the huge shareholdings of a few individuals or, say, an insurance company can completely out-vote the thousands of shareholders each of whom holds only a few shares.

This puts into proper perspective the Tory myth, now shared by Labour, that the creation of millions of small shareholders is going to change the structure and policy of companies. The worker who withdraws a few hundred pounds from a bank or building society and buys a few shares instead does not thereby become a controller of the company or enter into the ranks of the capitalist class. The Tories' *Popular Capitalism* of the 1980's and Labour *Stakeholders Capitalism* of the late 1990's did not and will not make any difference to the fact that accumulated wealth of all kinds is concentrated in the hands of a small minority of the population.

Then there is the question: are not workers who own a few shares participating in the exploitation process? Are they, in effect, capitalists? This is a very old issue. Marx dealt with it in Volume 1 of *Capital*, where he showed that the mere possession of a sum of money does not make the possessor a capitalist. For that, there must be present conditions enabling the money to be used for the employment - that is - the exploitation, of workers and for the accumulation of capital (see *Capital*, Kerr edition, Vol 1, Chapter XXXIII). And if the would-be capitalist is to be able to live above the level of a low-paid worker and not to have to work in the business, Marx calculated how large is the sum of money needed to meet the cost of employing a sufficient number of workers and of providing the necessary means of production (pages 336-338). In relation to these realities of capitalism, the trivial sums of money received by workers, as profit on the sale of their shares, or as dividends if they choose to



keep the shares, are quite negligible. Of course these facts will not deter capitalism's academic hacks from pretending that in principle there really is no difference between owning £100 and being a multi-millionaire.

Where does the Labour Party under Tony Blair stand on all this? They are among the apologists for capitalism. They reject Marx's theory of exploitation and deny that all forms of income from ownership come from surplus value, the unpaid labour of the workers.

In the past they made a quite indefensible separation between industrial profit on the one hand and interest on the other. Ramsay MacDonald, once secretary of the Labour Party and Prime Minister in two governments, set out the theory in his **Socialism, Critical and Constructive**. Basing it on the writings of R H Tawney, MacDonald wrote:

*When labour uses capital and pays its market value, property is defensible; when capital uses labour and retains as its reward the maximum share in the product upon which it can keep its grip, property is devoid of a sure defence.*

To off-balance the way in which "*capital uses labour*" the Labour government has proposed stakeholder capitalism. In the book of the same name "**Stakeholder Capitalism**", a collection of papers on the subject from a conference held at Sheffield University in 1996, we are told by one of the delegates, Mr A Pendleton -

*Employee share ownership has become central to the concept of stakeholder capitalism*

Because

*Providing workers with shares ... gives employers a stake in the employing organisation.*



In Tony Blair's Singapore speech in 1996 he signalled support for share ownership to employees. In Brown's budget in November 1999 wider workers share ownership was formally encouraged. The TUC also want shares extended with workers having a say in the company and influence in its direction. The reason why was made clear in the TUC contribution to the conference:

*Employee share schemes seem likely. To encourage employees to work harder and more effectively, to engender co-operation and to reduce the propensity to quit to seek employment elsewhere. In a myriad of ways, then, organisational performance will be improved p174.*

In conclusion, we have the Tories encouraging workers to replace their savings with the ups and downs of profitability on company shares, and have Labour encouraging workers to buy shares in the company they work in to engender greater productivity and less conflict. Nothing to upset the capitalist class in either policy!

However, for workers who are made redundant or unemployed, they quickly find that what shares they have are not enough to live on. Workers can never be capitalists without first leaving the working class. Socialists say workers should leave the working class by abolishing capitalism and not naively believing they have a stake in a social system that exploits them and can never be made to work in their interests.

## Obituary Norman Staples - 70 years a Socialist.

Comrade Staples died in April, aged 91. He first came into contact with the party when working in a Canadian lumber-camp, where he met an ex member. Returning to this country, he joined the party in 1930, only to find that his brother-in-law was already a member. During the war, he evaded conscription for a long time, and although the authorities eventually caught up with him, he was never put in the armed forces.

He was a regular supporter of Kingston Branch's outdoor meetings and was a regular seller of literature in London and Guildford. He played an active role in the formation of a discussion group in Woking that later became Guildford Branch. When we were expelled by the Clapham organisation in 1991 Norman soon joined us. On his application form, there is a question . . . Do you have any specialised knowledge? he replied "No specialised knowledge. Only my conviction of the soundness of the SPGB case and the importance of our Declaration of Principles".

Until just a few years ago, in spite of increasing deafness, he continued to be active, regularly selling Socialist Studies and party pamphlets in Guildford, come fair weather or foul. He helped out at T.U. Conferences and at the Annual Tolpuddle Rally.

He had wide interests - classical music, photography, wild life, cycling and a good selection of books. He was a good comrade, a man of principle, and a quiet kindly friend.

To his sister, nieces and all his close family, we send our deepest sympathy.

## SUMMER SCHOOL

This will be our 9th Summer School and it will be held on Sunday June 11th. It was on that date way back in 1991 that members of Camden and N.W. London Branches who had been expelled from the Clapham 'Socialist' Party formerly re-constituted The Socialist Party of Great Britain.

The Title of this year's school is:-

### 100 years of the Labour Party - a critical assessment

First Session:	The Labour Party	
12 noon	1906 - 1945	Speaker: J. D'Arcy

1.30 - 2.30 Light Buffet Luncheon.

Second Session:	The Labour Party	
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Venue: Marchmont Community Centre  
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## THE SOCIALIST PARTY OF GREAT BRITAIN

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# THE SOCIALIST PARTY OF GREAT BRITAIN

## OBJECT

*The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.*

## DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

ALL ENQUIRIES AND APPLICATIONS FOR MEMBERSHIP TO...

The Socialist Party of Great Britain,

71 Ashbourne Court, Woodside Park Road, London N12 8SB



## Mayhem on Mayday

"Anarchism is a game at which the police can beat you," wrote Shaw.

On May Day, a weird assortment of excitable 'anarchists', attracted by the thrill of 'direct action', trashed Westminster's sacred establishment sites.

Some statues were paintsprayed - but not demolished. A McDonald's and the shop next to it were trashed - but not put out of business for more than a day or so.

In short, capitalism was temporarily, locally, moderately inconvenienced. But politicians were able to portray the police as 'saviours of society' against what was really only a mere token gesture.

Gesture politics of this sort appeal to the young and ignorant, the politically immature, just as they did over 100 years ago, when Eleanor Marx Aveling wrote:

"Unfortunately, there are many of the younger, and of the more ignorant sort, who are inclined to take words for deeds, high-sounding phrases for acts, mere sound and fury for revolutionary activity, and who are too young or too ignorant to know that such sound and fury signify nothing" (Preface, 1895, to Plekhanov, *Anarchism and Socialism*, Kerr, 1918).

The counterproductive, damaging effect of such incidents is to encourage the mistaken belief that capitalism means order whilst 'anti-capitalism' spells disorder. Just what Blair and Straw, Hague and Widdicombe wanted.